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4 OCT 1978

MEMORANDUM FOR THE RECORD

SUBJECT: Conversation, 3 October 1978

1. I presented the briefing on the Soviet missile R&D complex. There was considerable interest in this. I think the point that there is a large continuing program which gives the Soviet leaders option, but at the same time has a momentum which influences their positions in SALT and other discussions, came through clearly. Also, I think the point was made that there was a good probability that any constraints from SALT or other reasons would lead to a reallocation of R&D assets rather than a reduction in them.

a. Bill Perry took over and put this in fine perspective from the US point of view. He pointed out that the Soviets are trying by developing many more systems than they will deploy to substitute for the competitive process by which we develop something closer to the number of systems which we are going to deploy. Our process requires us to determine what characteristics we need and then develop it rather than develop several systems with different characteristics and then select one--although we pointed out the Soviets have frequently deployed some of the "loser" systems also. The net result is that the cost of Soviet systems by unit price is less than ours, but ours are engineered to a higher degree of sophistication and reliability. He contended, however, that the Soviet production costs were higher than ours because of the number of systems they had to develop and abandon. There is a high premium then on the overall debating system we use with the Executive Branch, Congress, and the public to be sure we don't buy the wrong system since we don't develop many alternatives.

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b. He also pointed out that the chart of US land-based system starts shows that there was a big impulse from Sputnik in 1958. Since then, everything has almost been downhill. The quality of the SLBM system, its mission and the fact that a single contractor has handled it have apparently kept it going at a rather steady level.

c. David Aaron commented afterwards that bringing in Perry to throw in a contrast with the US was very helpful. All too frequently it is difficult to put things in this perspective. We should look for other opportunities to do this.

2. I was asked how well we could estimate Soviet defense expenditures. I told him in R&D we were weakest and probably accurate within 40%, but that in procurement of hardware we are much more accurate--perhaps 10%. Gromyko had apparently made a proposal that we reduce armaments by limiting budgets. He had been told that with the Soviet budget secret, there was no way we could verify this. Gromyko contended that the Soviets did publish their budget and it was available to us.

The comment was made that Defense and CIA differ largely on the size of the Soviet budget in rubles. I said I didn't think that was the case but there had been this major reestimating of the percentage of Gross National Product consumed by the Soviet defense budget. I'd like to get a view from OSR on the accuracy of the ruble estimate of the Soviet defense budget.

3. I covered the Rhodesian situation with respect to possible Soviet/Cuban involvement. The charts flowed very well after all of our efforts. I think there was a great deal of attention to them, especially to the overall chart with the routes of ingress and vulnerability points. I have the feeling that there hadn't previously been much recognition of the geographical issues. Bill Perry was present for this and commented afterwards how clear he thought this presentation was.

a. I emphasized perhaps particularly the pressure there would be on the South Africans to move quickly. If they didn't, I felt that even the difficult crossing points could probably be crossed if the Cubans had enough armor and artillery.

b. When I mentioned the possibility that the Ethiopians would participate in any force that was sent to Central/South Africa, I emphasized that this would be a token force to give it an African complex rather than

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appear to be a Cuban one.

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4. I did not get time for the Panamanian foreign policy or any of the smaller items. Leave in the [redacted] status and Neto's son. [redacted]

I think we'll drop the Togolese President's letter. I briefed Aaron on de Marenches--we can drop that one.

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STANSFIELD TURNER
Director

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